

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS
Evaluation of Demand Forecasting and Supply Planning

June 11, 2004

REQUEST FOR PROPOSALS

**EVALUATION
OF ENERGYNORTH NATURAL GAS, INC.'S
DEMAND FORECASTING AND SUPPLY PLANNING**

Dear Prospective Bidder:

The New Hampshire Public Utilities Commission (Commission) is requesting proposals from qualified bidders to assist Staff in evaluating the demand forecasting and supply planning of EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England (KeySpan), both short-term and long-term, with primary focus being supply planning and related matters (gas purchasing and dispatch).

Pertinent dates and information:

1. Proposals must be received by the Commission prior to 4:30 PM on July 2, 2004.
2. Direct inquiries and submit proposals to:

Stephen Frink
Assistant Director, Gas & Water Division
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301
Tel: (603) 271-2431 Fax: (603) 271-3878
Steve.frink@puc.nh.gov

3. Follow-up conferences/interviews will be scheduled as needed.

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS
Evaluation of Demand Forecasting and Supply Planning

4. An Evaluation Team consisting of Commission and/or other qualified personnel will be established to evaluate bidder responses to this request for proposals.

I. BACKGROUND

The New Hampshire Public Utilities Commission (Commission) is an administrative agency with executive, legislative and quasi-judicial powers. The Commission's prime responsibility is as an arbiter between the public utilities and their ratepayers. Our proceedings in this regard address such areas as public utility rates, financing, terms and conditions of utility service, quality of service, safety and reliability, eminent domain matters, public utility exemptions from local zoning ordinances, public utility franchises, utility crossings of public lands and waters, rulemakings and consumer complaints.

The Commission approved a Cost of Gas (COG) adjustment mechanism, whereby gas utilities divide their calendar year into a summer period and a winter period and a COG rate is calculated based on projected gas costs and sales for the upcoming period. The COG rate also includes over or under collections from the corresponding prior period based on a reconciliation of actual gas costs and revenues for the period. The Commission reviews the reasonableness of COG rates and typically authorizes the utility to adjust its COG rate during the period, within a set percentage from the approved rate, without further Commission action.

EnergyNorth Natural Gas, Inc.¹ (ENGI) filed a Least Cost Integrated Resource Plan (IRP) with the Commission in 1995 (Docket No. DR 95-189). Staff and ENGI presented a stipulation whereby they recommended the Commission neither approve nor reject the filing and recommended future IRPs contain information on seven specific areas of analysis. *See*, Commission [Order No. 22,116](#) (April 1996) approving the stipulation.

ENGI's next IRP, filed on November 30, 1998, set forth two main sections, a demand forecast and a supply plan. Following a review of that filing, the Commission decided to discontinue the formal filing of IRPs. The Commission was satisfied that the issues normally evaluated in a utility's IRP filing could be addressed within existing cost of gas proceedings. The Commission reserved the right to require formal IRP's if circumstances necessitated such filings in the future.

In KeySpan's 2003/04 winter period COG proceeding (Docket No. DG 03-160), Staff reviewed KeySpan's reconciliation of prior period gas costs and questioned the prudence of

¹ On November 8, 2000, KeySpan acquired Eastern Enterprises (Eastern) and Eastern acquired EnergyNorth, Inc., the parent of EnergyNorth Natural Gas, Inc. These acquisitions were approved by the Securities & Exchange Commission on November 7, 2000 and by the Commission on May 8, 2000. *See EnergyNorth Natural Gas, Inc.*, 85 NHPUC 360, [Order No. 23,470](#) (2000).

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS
Evaluation of Demand Forecasting and Supply Planning

KeySpan's 2002/03 winter period gas dispatch. KeySpan had begun dispatching its gas supply through a tier structure per the terms of an Asset Management Agreement (AMA). The Commission approved a Settlement Agreement, by [Order No. 24,323](#) (May 7, 2004), whereby most issues were resolved but the issue of what constitutes appropriate gas dispatch was left for future discussions. Among other things, the Settlement Agreement required KeySpan to file an IRP with a 5-year time horizon on or before August 2, 2004.

The Commission identified specific areas of analysis it expected information in KeySpan's IRP to support:

It is evident from the record in this docket that both the IRP process and results have changed since ENGI was acquired by KeySpan. The filing of an IRP, in combination with other provisions of the Settlement Agreement, should enable Staff and the Commission to better understand and evaluate the IRP process as practiced by KeySpan and allow for a more thorough, methodical exploration of the changes in KeySpan's supply and dispatch operations resulting from: (i) the acquisition of ENGI by KeySpan Corporation, (ii) increased demand during recent years, and (iii) as further discussed below, the use of asset management agreements, than can be made in the normal course of expedited COG dockets. *See*, [Order No. 24,323](#) at p. 17.

The Settlement Agreement in DG 03-160 also required KeySpan to determine the cost of amending the AMA. An objective of the Settlement Agreement was to identify the proper role of the asset manager as well as the benefits and constraints of KeySpan's AMA. Information KeySpan will supply in the IRP due August 2, 2004 will relate to better understanding of the AMA. KeySpan will include in its IRP, information on "the goals and methods to be pursued and implemented in connection with" how KeySpan utilizes its AMA to manage portions of KeySpan's gas transportation, underground storage and commodity contracts.

The unresolved issues of KeySpan's gas dispatch and KeySpan's utilization of its AMA affect all COG proceedings going forward. For instance, in KeySpan's 2004 Summer period COG, (Docket No. DG 04-040), Staff was unable to conclude KeySpan's dispatch decisions affecting that period were prudent since Staff had not yet completed its investigation of those issues. Specifically, the unresolved gas dispatch and AMA issues affect periods commencing with the 2003-2004 winter period. See Commission [Order No. 24,317](#) (April 30, 2004), approving KeySpan's 2004 summer COG rates, for a summary of Staff's position. For these reasons, Staff seeks to review these issues thoroughly and efficiently. Staff seeks the timely assistance of a qualified consultant to evaluate KeySpan's short-term and long-term demand forecasting and supply planning.

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS
Evaluation of Demand Forecasting and Supply Planning

Supporting documents may be referenced through the following links:

DR 95-189:

- [Order No. 22,116](#)

DG 03-160:

Direct and Rebuttal Testimony (redacted)

- [Rebuttal Testimony of Elizabeth Arangio](#)
- [James D. Carmichael](#)
- [Stephen P. Frink](#)
- [Robert J. Wyatt](#)

Hearing Transcripts (redacted)

- [10/21/03](#)
- [12/17/03](#)
- [12/18/03](#)
- [12/22/03](#)
- [3/17/04](#)

Order and Settlement Agreement

- [Settlement Agreement](#)
- [Order No. 24,323](#)

Asset Management Agreement dated November 1, 2002 Redacted (available upon request)

Asset Management Agreement dated April 1, 2003 Redacted (available upon request)

DG 04-040:

- [Hearing Transcript](#)

Testimony (redacted)

- [Silvertrini](#)
- [Wyatt](#)
- [Order No. 24,317](#)

II. SCOPE OF SERVICES

A. The Assignment

The Commission is seeking a consultant to evaluate the statistical modeling and resource planning methodologies employed by KeySpan for daily dispatch and for long-term planning scenarios. The consultant will evaluate the specific KeySpan models that have been developed and tested to forecast market requirements, pipeline capacity, peak-shaving resource and dispatch, supply costing and economic dispatch. The consultant is to evaluate whether KeySpan has developed and utilized an appropriate and comprehensive resource model in its short- and long-term resource planning and to assess whether KeySpan has demonstrated its ability to effectively manage its supply portfolio with the demands placed on it by its customers and available supply resources. The consultant is also to perform a limited analysis of KeySpan's demand forecasting to assess its reasonableness.

The short-term analysis will require the consultant to review KeySpan's supply planning models used in preparing its COG filings and assess if they are consistent with least cost supply planning and provide a reasonable basis on which to determine COG rates. The consultant should review the KeySpan supply portfolio and consider the most economical dispatch of those supplies to meet forecast demand. The consultant is to prepare and submit a report to Staff on its findings and recommendations.

The long-term analysis will require the consultant to review KeySpan's IRP and consider if KeySpan's demand forecasting is reasonable, as well as whether its long-term supply planning is appropriate and consistent with least cost planning. The consultant is to prepare and submit a report to Staff on its findings and recommendations.

The consultant is to review KeySpan's Asset Management Agreements to date and perform a cost/benefit analysis to assess if the current Asset Management Agreement provides a net benefit over the term of the contract, how it might be structured to provide the greatest benefit to KeySpan's customers and whether the existing or similarly structured Asset Management Agreement should be employed beyond the current term of the contract. The consultant is to prepare and submit a report to Staff on its findings and recommendations.

B. Role of the Commission

The Commission will be the client of any consultant retained. Work under this

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS
Evaluation of Demand Forecasting and Supply Planning

engagement will be supervised by a team of New Hampshire Commission Staff. The team will exercise such monitoring and controls as are appropriate and necessary to achieve the desired and agreed upon product from the consultant.

C. Reporting Procedures

During the conduct of the study, the consultant shall provide to the Commission advance monthly notices of the planned activities for the subsequent month and a progress report detailing the audit activities completed in the prior month. The Commission reserves the right to direct the consultant's activities as the Commission deems appropriate. The consultant will also meet as necessary with Commission staff to discuss its progress. During the course of the study, special reports detailing particular methods or findings may be required.

D. Verification Sessions

Verification sessions to confirm the validity of the data to be incorporated in the consultant's review and used in the development of the consultant's recommendations will be held, as necessary, between the consultant, the utility and the Commission staff.

E. Confidentiality

The consultant agrees to maintain confidential all information to which it has access until such time as it is instructed otherwise by the Commission.

F. Work papers

All work product is the property of the Commission. At the conclusion of the contract, the consultant may retain copies of work product and source documents.

G. Final Report

Subsequent to the submittal of the final report in each phase, the Commission and the consulting firm may confer regarding successive analyses directed toward specific areas warranting further study. The Commission may elect to determine the breadth and scope of such successive analyses and decide whether such analyses should be performed by the same consulting firm.

III. DISCLOSURE OF RELATIONSHIPS

Any existing or potential conflicts of interest should be identified, including those that arise as a result of relationships or affiliations with utility companies under the jurisdiction of the Commission.

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS
Evaluation of Demand Forecasting and Supply Planning

IV. COMPONENTS OF THE PROPOSAL

The proposal submitted must have the following major sections:

A. Approach and Considerations

Provide a detailed plan which includes specific procedures and methods used in data collection, data analysis, and the development of conclusions.

B. Corporate/Company Information

Provide information concerning its corporate/company history; i.e., how many years in business, corporate officers or company principals, location of branch offices, professional and business association memberships, etc.

C. Personnel Assigned

Submit a list of all personnel who will be assigned, including resumes and the nature of their specific responsibilities. The Commission must be notified in writing of any substitutions or changes in personnel assigned to perform the study.

D. References

Provide a list of up to three references for work performed which is similar in scope or content, including telephone numbers of the principals responsible for the project. The proposal may also include descriptions of other studies the consultant has completed which are relevant to the objectives of the proposed project.

E. A Detailed Budget Proposal

A detailed cost proposal that identifies the hourly rate for personnel and any associated expenses.

V. SELECTION CRITERIA

Cost is a consideration but may not be the determinative factor in the Commission's decision. Rather, the award will be based on the following criteria:

- The knowledge of and practical experience that the firm and the staff assigned to the project possess.
- The quality and extent of the applicant's experience and expertise in the areas of integrated resource planning, natural gas markets, gas dispatch, economics and

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS
Evaluation of Demand Forecasting and Supply Planning

state regulation and rate making.

- The experience and qualifications of the individual who will be primarily responsible for advising the Commission and its designee(s).
- The experience and qualifications in providing similar services to other utility commissions.
- Availability and accessibility of staff assigned to the project

VI. GENERAL BID CONDITIONS

A. Submittal

Bids must be typed. An original and (5) five copies of the bid must be submitted. Bids that are incomplete or unsigned will not be considered.

B. Schedule

The deadline for submitting bids is 4:30 p.m. on July 2, 2004. Bids must be addressed to Stephen Frink, New Hampshire Public Utilities Commission, 8 Old Suncook Road, Concord, NH 03301.

C. Evaluation of Proposals

The Commission reserves the right to reject or accept any or all bids, to reject or accept all or any part of any bid, to determine what constitutes a conforming bid, to waive irregularities that it considers not material to the bid, to award the bid solely as it deems to be in the best interest of the State, to contract for any portion of the bids submitted and to contract with more than one bidder if necessary.

D. Confidentiality of Proposals

All information relating to this bid and any resulting order (including but not limited to fees, contracts, agreements and prices) are subject to the laws of the State of New Hampshire regarding public information.

E. Teams

The Commission will neither penalize nor favor teams of firms; the Commission's interest is having the best resources available to assist it in discharging its responsibilities. The Commission, however, will contract with only one firm, who must agree, in the case of a teaming arrangement, to serve as the prime contractor for any engagement.

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS
Evaluation of Demand Forecasting and Supply Planning

VII. CERTIFICATES

Bidders will be required to provide the following certificates prior to entering into a contract:

- Certificate of Incorporation (if applicable)
- Certificate of Good Standing authenticated by the New Hampshire Secretary of State

After the bidder has executed a contract, a certificate demonstrating the signatory's authority to sign the contract and to bind the contracting entity to the contract must be submitted.

VIII. FORM OF CONTRACT

The terms and conditions set forth in Attachment 1 (General Provisions Agreement) are part of the proposal and will apply to any contract awarded the bidder.

Any contract resulting from this bid proposal shall not be deemed effective until it is signed by the Commission.

When responding to this Request for Proposals, please include your ability to comply with Paragraph 14, Insurance and Bond, of the General Provisions Agreement. Please note that the Commission will allow substitution of professional liability insurance for part or all of the per incident comprehensive general liability insurance coverage. In addition, excess liability insurance in an equal amount may be substituted for up to \$1,000,000 of the per incident comprehensive general liability or professional liability insurance coverage. The State reserves the right to further waive or modify the insurance requirement in Paragraph 14 based on bids presented.

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION REQUEST FOR PROPOSALS

Evaluation of Demand Forecasting and Supply Planning

ATTACHMENT 1

2. EMPLOYMENT OF Contractor: SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("the State"), engages contractor identified in block 1.3 ("the Contractor") to perform, and the Contractor shall perform, that work or sale of goods, or both, identified and more particularly described in EXHIBIT A hereto ("the Services").

3. EFFECTIVE DATE: COMPLETION OF SERVICES.

3.1. This agreement, and all obligations of the parties hereunder, shall become effective on the date it is signed by the contracting officer of the Public Utilities Commission (the "Effective Date").

3.2. Except as otherwise expressly provided for herein, all Services, including any reports required by this agreement, shall be fully completed prior to the date specified in block 1.6 ("the Completion Date").

4. CONTRACT PRICE: LIMITATION ON PRICE: PAYMENT.

4.1. The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B hereto.

4.2. The payment by the State of the contract price shall be the only, and the complete, reimbursement to the Contractor for all expenses, of whatever nature, incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

4.3. The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by RSA 80:7 through 7-C or any other provision of law.

4.4. Notwithstanding anything in this agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the price limitation set forth in block 1.8 of these general provisions.

5. COMPLIANCE BY Contractor WITH LAWS AND REGULATIONS: EQUAL EMPLOYMENT OPPORTUNITY.

+ 5.1. In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to civil rights and equal opportunity laws.

5.2. During the term of this agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap or national origin and will take affirmative action to prevent such discrimination.

5.3. If this agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State, the United States, or any designated representative of either, to have access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with the aforesaid rules, regulations and orders, and the covenants and conditions of this agreement.

6. PERSONNEL.

6.1. The performance of the Services shall be carried out by employees of the Contractor. The Contractor shall at its own expense, provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

6.2. The Contractor shall not hire, and shall permit no subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

6.3. The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this agreement, the Contracting Officer's decision shall be final.

7. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of those funds, become available, if ever, and shall have the right to terminate this agreement immediately upon giving the Contractor notice of such termination.

8. EVENT OF DEFAULT: REMEDIES.

8.1. Any one or more of the following acts or omissions of the Contractor shall constitute event of default hereunder ("Events of Default"):

8.1.1. failure to perform the Services satisfactorily or on schedule; or

8.1.2. failure to submit any report required hereunder; or

8.1.3. failure to perform any other covenant or condition of this agreement.

8.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1. give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this agreement, effective two (2) days after giving the Contractor notice of termination; and

8.2.2. give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this agreement and ordering that the portion of the Contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor; and

8.2.3. set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and

8.2.4. treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA: ACCESS; CONFIDENTIALITY; PRESERVATION.

9.1. As used in this agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this agreement, including, but not limited to, all studies, reports, files, formulae, surveys, amps, charts, sound recording, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2. On and after the Effective Date, all data, and any property which has been received from the state or purchased with funds provided for that purpose under this agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this agreement for any reason, whichever shall first occur.

9.3. All data shall be kept confidential by the Contractor, and the Contractor shall not disclose any such data as to any individual or organization without the prior written approval of the State.

10. TERMINATION. In the event of an early termination of this agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("the Termination Report") describing in detail all Services performed, and the Contract Price earned, to and including the date of termination. To the extent possible, the form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in EXHIBIT A.

11. Contractor's RELATION TO THE STATE. In the performance of this agreement the Contractor is in all respects an independent Contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT, DELEGATION AND SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this agreement without the prior written consent of the State. None of the Services shall be delegated or subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.

14. INSURANCE AND BOND.

14.1. The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, both for the benefit of the State, the following insurance:

14.1.1. comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per incident; and

14.1.2. fire and extended coverage insurance covering all property subject to subparagraph 9.2 of these general provisions, in an amount not less than 80% of the whole replacement value of the property.

14.2. The policies described in subparagraph 14.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modifications of the policy earlier than 10 days after written notice thereof has been received by the State.

15. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express failure of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure or waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Contractor.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, above.

17. AMENDMENT. This agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire.

18. CONSTRUCTION OF AGREEMENT AND TERMS. This agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns.

19. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this agreement shall not be construed to confer any such benefit.

20. SPECIAL PROVISIONS. The additional provisions set forth in EXHIBIT C hereto are incorporated as part of this agreement.

21. ENTIRE AGREEMENT. This agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.